

BLOOMFIELD TOWN COUNCIL

FINANCE SUBCOMMITTEE

There was a regular meeting of the above referenced subcommittee held on Tuesday, January 20, 2015 a 5:30 p.m. in Conference Room #5, Bloomfield Town Hall, 800 Bloomfield Avenue, Bloomfield, CT.

Committee members present were: Councilors Hypolite, DeLorenzo, Seldon, Merritt and Deputy Mayor Gamble

Also present were: William Hogan, Director of Finance, Philip K. Schenck, Jr., Town Manager, and India Rodgers, Clerk of Council

Guest: Mr. Jerry Paradis, Managing Partner – Blum Shapiro

The meeting was called to order at 6:35 p.m.

Discussion regarding the Audit of June 30, 2014

Blum Shapiro presented a clean and unqualified report on the audit of June 30, 2014. They issued State and Federal single audit reports. They also reviewed and tested internal controls/programs.

Mr. Paradis explained in detail the federal Title I grants for low income, disadvantaged programs and Board of Education – Special Education of which approximately \$2.6M passes through to the Board. There were no findings or disparities.

The State of Connecticut also had several grant reviews totaling approximately \$15M. These grants were identified as:

- DECD
- DOE Vocational Agriculture
- Magnet School
- After School Grant
- Child Day Care
- School Readiness
- Town Road Aid

In addition, financial statements presented clearly with new GASB 67 for changes in disclosures for pension investment policies. The GASB 68 pension disclosures will change next year to include net pension liabilities on fund statements.

- Fund Statement - \$15.8M fund balance (19% of budget – unfunded)
- New schedules for Required Supplemental Information (RSI) have additional disclosures for net pension liability contributions, 17% investment portfolio

It was also noted that no town departments exceeded their budgeted appropriations for the fiscal year in review.

Councilor Hypolite inquired about internal controls regarding cash and checks. Blum Shapiro consider weighted concerns for testing of specific number of accounts.

Mr. Schenck, Jr. suggested to add additional funding in audit budget line to review all individual department internal controls. It was noted that the Finance Department does periodically review interdepartmental procedures regarding cash flow.

Councilor Hypolite inquired about a self-insured fund for employee health benefits of approximately \$5.8M, retiree health - \$2.4M and pension liability that would significantly increase over time because individuals are living longer.

Mr. Paradis recommended an engagement of audit committee to ask questions, give direction, and develop a plan for corrected statements or opinions if needed. He also suggested to conduct a pre-meeting with auditors prior to review.

It was moved by Councilor Merritt, seconded by Councilor Seldon and voted unanimously to accept the June 30, 2014 audit report.

There was some brief discussion of the committee regarding choices in audit firms. There are only three audit firms available in Connecticut to conduct complete municipal audits. The committee will further review and discuss options on possibly choosing a new audit firm.

Mr. Schenck, Jr. gave a brief update of the upcoming budget process. At the next Finance Subcommittee meeting scheduled for February 17, 2015, Mr. Schenck, Jr. will present a more in depth review of Capital Improvement projects and the overall town budget. He also suggested a pre-meeting to discuss the Capital Improvement programs for the library and public works garage.

Councilor Merritt expressed concerns regarding the most urgent needs in town versus funding for long term projects. Some of the proposed projects may can be completed in several phases.

Adjournment

It was moved by Deputy Mayor Gamble, seconded by Councilor Seldon and voted unanimously to adjourn the meeting 6:45 p.m.